



Tax & Financial Planning Newsletter

CONGRESSWOMAN

Corrine Brown

THIRD CONGRESSIONAL DISTRICT — FLORIDA



Dear Friends,

Did you or your spouse have earned income during 2005? Did your household earn between **\$1 and \$37,263**? If you answered “yes” to these questions, you may be eligible for the Earned Income Tax Credit (EITC). You may also be eligible to receive the Advance EITC directly in your paycheck.

The EITC is a special credit to boost the incomes of working families. This credit reduces the amount of income tax you owe, if any, and is intended to offset some of the increases in living expenses and Social Security taxes. To receive this credit, you must meet the eligibility requirements and you must file a tax return.

Please refer to page three to get more information about free tax filing assistance, or refer to IRS Publication #596 for a more in-depth explanation of the credit. The Earned Income Tax Credit and Advance EITC payments will not determine eligibility for the following welfare benefits: temporary assistance for needy families, Medicaid and SSI, or food stamps and low-income housing.

Also included in this mailer are details on several exciting new opportunities to increase your personal wealth using financial planning tools and workshops which are available to help you wisely invest your tax refund. One excellent tool is the Individual Development Accounts (IDA), provided by federal grants which match funds you save towards your dream of home or business ownership, or a post-secondary education. Area organizations have teamed up to offer assistance to people who wish to take advantage of these programs. Please contact my district offices for further details or you can print additional materials from my website on <http://www.house.gov/corrinebrown/>.

Many residents of the Third Congressional District of Florida qualify for the EITC. I hope that all of you who qualify will take advantage of this valuable credit and be inspired to save and plan for the future.

Sincerely,

Corrine Brown
Member of Congress

INDIVIDUAL DEVELOPMENT

What is an "IDA"?

I.D.A.s, or Individual Development Accounts, are special matched savings accounts designed to help you with your dreams of home ownership, a small business or a post-secondary education. The accounts themselves are a part of a larger effort to help our citizens become financially solvent. Local organizations administer the programs through federal grants which support the IDA outreach programs and provide matching funds to the accounts.

Am I eligible to participate?

IDA Program is open to individuals or families who meet the following criteria:

- ▲ Residence in Duval County and surrounding area
- ▲ Total household income that qualifies for the Federal Earned Income Tax Credit (EITC) - less than \$11,750 for an individual, less than \$33,030 for a family with one qualifying child, and less than \$35,263 for a family with more than one qualifying child
- ▲ Participants must be currently employed
- ▲ Earned income can come from traditional wages or from some form of self-employment

What will I be required to do?

You are asked to commit to:

- ▲ make monthly savings deposits of at least \$15
- ▲ save in the program for at least 12 months but up to 24 months
- ▲ attend and complete a personal finance and money management workshop series
- ▲ participate in asset-specific ownership preparation training
- ▲ support one another through on-going peer support meetings

What is a "savings match?"

A "savings match" is a promise to supplement your savings deposits at a specific rate; in other words, a 2:1

savings match means that for every dollar you save, you will have another two dollars added to your total account balance!

Why would anyone give me free money?

This is not a "giveaway." You earn savings matches by saving your own hard-earned dollars in addition to taking other steps to prepare for the future, like attending personal finance workshops. This same thinking has been behind government initiatives like GI Bill.

Is there more to an IDA Program than just savings matches?

Absolutely; you will need more than just cash to become successful homeowner, entrepreneurs or a college student. For this reason, you will attend a personal finance and money management workshop series and a special asset-specific preparation program. These workshops are designed to help you with your personal and financial skills that are essential for long-term success.

What additional support is available to me while in the program?

You will receive counseling while you are in the program along with assistance with opening accounts, establishing saving priorities, credit issues, training for specific goals, acquiring or obtaining the goal, etc.

Where will my money be deposited?

Currently, your money will be deposited either with Wachovia or SunTrust. Your account will not be assessed any monthly service fees.

What if I need to withdraw my money from savings for an emergency?

Because IDAs are intended to help you with the purchase of a home, school or business ownership; withdrawals for other reasons are strongly discouraged. However, in certain emergency situations, you may withdraw some of your money before you are ready for your goal. Such with-

District Offices to Serve You

Washington, D.C.

2444 Rayburn HOB
Washington, DC 20515
(202) 225-0123
(202) 225-2256 FAX

Jacksonville

101 East Union St., Suite 202
Jacksonville, FL 32202
904-354-1652
904-354-2721 FAX

Orlando

219 Lime Avenue
Orlando, FL 32805
407-872-0656
407-872-5763 FAX

Gainesville

352-376-6476

Please visit us at
our website:
www.house.gov/corrinebrown/

OPMENT ACCOUNTS

drawals would not include savings matches. And, of course, you are always free to close your account, withdraw from the program and receive all of your savings and earned interest.

Can I change my “saving” goal while in the program?

Yes, an individual may be allowed to change their goal; however, in order to receive matching funds, you will have to achieve your goal. If you have sufficient enough time to complete the required training associated with the new goal and accomplish/acquire that goal, you will be allowed to work towards it.

How do I receive matching funds?

Matched funds will be made available to you once you have reached your goal. At that time a vendor check will be issued directly to the company, institution or individual furnishing all or a part of your goal.

Can my spouse participate in this program?

Yes, a household can open up to two accounts, therefore become eligible for up to \$8000 of matching funds.

Will my participation in the IDA program affect my eligibility for other benefits?

No, the IDA account is not considered when determining eligibility or benefit levels for any federal benefit program.

What happens if I am not ready to acquire my goal within the two-year period?

The current federal grant that supports the IDA program will end September 2007. You must have completed the program and acquired their goal by that time.

Who offers this program in northeast Florida and how can I apply to participate?

To find out the dates and locations of upcoming orientations, participating organizations and applications or to receive additional information or ask a specific question, call **(904) 854-4444** or visit our website: **www.house.gov/corrinebrown/**.

As part of the prerequisite to qualifying for the IDA programs you must complete the following courses offered by local organizations. For more information about locations and times contact **(866) 318-0211** or visit **www.house.gov/corrinebrown/**.

Volunteer Income Tax Assistance (VITA) Locations

Site Location	Street Address
Regency Square Regional Library	9900 Regency Square Blvd
University Park Branch Library	3435 University Blvd. North
Bradham Brooks Regional Library	1755 Edgewood Ave. West
San Marco Library	1513 LaSalle Street
Webb Wesconnett Regional Library	6887 103rd Street
Willowbranch Branch Library	2875 Park Street
Bank of America	840 Edgewood Ave. South
Lakeshore Baptist Church	2363 Blanding Blvd.
Potters House Christian Fellowship	5732 Normandy Blvd.
St. Matthew Christian CCC	3720 N. Myrtle Ave.
Jax Federal Credit Union	562 Park Street
Mt. Olive Primitive Bapt. Church	1319 N. Myrtle Ave.
N.E. FL Community Action Agency	1133 Ionia Street (RFK Center)
St. Catherine's Catholic Church	1649 Kingsley Avenue, Room N
Gateway WorkSource	5000-2 Norwood Ave.
Clay County WorkSource	1845 Town Center Blvd, Suite 150
Putnam County WorkSource	400 North State Rd.19, Suite 33

Money Smart is a ten-hour series covering spending plans, saving, credit, consumer protection issues, financial institutions and accounts.

Credit When Credit Is Due has 12 lessons covering spending plans, saving, credit, and consumer protection issues.

Get Checking is a six-hour class for those who want to learn about managing checking accounts. If you are on a banking “blacklist” (for other than fraud), this will qualify you to open a checking account at a participating financial institution.

JAX Saves is a wealth-building club to help you save for your goals. It includes education and tips from community experts.

The Earned Income Tax Credit *Additional Money for Your Family*

What is the Earned Income Tax Credit (EITC)?

The EITC is a tax benefit for low-income working families. The EITC is a "refundable" credit, which means a family can benefit even if no federal tax is owed. If a family does owe income tax, the EITC will reduce the amount. If the family's credit is more than the tax they owe, the Internal Revenue Service (IRS) will send a check for the remaining amount.

Who Can Claim the Credit?

You may be able to claim the following amounts: \$399 if you earned less than \$11,750 (\$13,750 for married filing jointly) and are between the ages of 25 and 65; \$2,662 if you earned less than \$31,030 (\$33,030 for married filing jointly) and have at least one qualifying child; or \$4400 if you earned less than \$35,263 (\$37,263 for married filing jointly) and have more than one qualifying child.

A qualifying child includes a son, daughter, stepson, stepdaughter, foster child or adopted child under age 19; a child under age 24 who is a full-time student; or a child any age who is permanently and totally disabled.

To be eligible you cannot be a dependent claimed by someone else. Also, there are up to ten additional rules that apply to qualify (or disqualify) you. Please review IRS Publication #596.

How Can Families Receive the EITC?

To claim the credit, you must file Form 1040, 1040A or 1040EZ; or, to receive the credit in your paycheck, have your employer file the Advance Earned Income Tax Credit form.

Use the EITC worksheet that comes with the tax forms package to figure the credit instructions on the forms, and make sure to use the correct Social Security

numbers for yourself and any qualifying children.

Another way to claim the EITC is by claiming it in advance to receive the money in each paycheck. In order to receive the Advance Earned Income Tax Credit, fill out Form W-5 and give it to your employer. This way, you don't have to wait until tax time to use the money.

Tax Forms

To order forms 1040, 1040A, 1040EZ and Schedule EITC, call **1-800-TAX-FORM (1-800-829-3676)**, or order forms over the internet at <http://www.irs.ustreas.gov>. You can also get free assistance from the IRS by calling **1-800-829-1040**.

Where Can I Get the Forms?

The IRS will mail a tax booklet to your last address on file. If you have moved, or haven't received your tax booklet from the IRS through the mail, there are several places you can get the forms you need. All income tax forms and instruction for the credits are available at most libraries,

banks, post offices, and the Internal Revenue Service. You can also call **1-800-TAX-FORM**.

Where Can I get Answers to Questions About the EITC?

Families can obtain free help from IRS operators during regular weekday business hours by calling **1-800-829-1040**. Call the IRS at **1-800-829-4477** for recorded information about the EITC and the AEITC. The IRS phone number for the hearing impaired with access to TDD equipment is **1-800-829-4059**.

IRS Volunteer Income Tax Assistance (VITA) Program

Families can have their tax forms filled out for free through VITA, the Volunteer Income Tax Assistance program. VITA volunteers are trained by the IRS to provide free tax help to low-income families. From the end of January through April 15, VITA volunteers will be at local sites. Call the IRS operator at **1-800-829-1040** to find out the location of the nearest VITA site.

Congress of the United States
House of Representatives
Washington, D.C. 20515

Official Business



M.C.
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*Important Tax
Information*

CONGRESSWOMAN

Corrine Brown

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